

# **Results Presentation**

## **The First Nine Months of the Year Ending March 31, 2017**



**Tokyo Broadcasting System Holdings, Inc.**

**February 2, 2017**



## Tokyo Broadcasting System Holdings, Inc.

- Consolidated company in the broadcasting, multi visual ventures and cultural events businesses and real estate business (1)

TOKYO BROADCASTING SYSTEM TELEVISION, INC.

- Consolidated companies in the broadcasting business (16)

TBS Radio, Inc.

TBS-VISION, Inc.

FF TOHO Inc.

TBS-TEX Inc.

DREAMAX TELEVISION, INC.

AKASAKA GRAPHICS ART, INC.

Art Communication System, Inc.

TBS ProNex Inc

JASC (Japan Artvideo Service Collaborative, Inc.)

Vucast, Inc.

TBS MEDIA RESEARCH INSTITUTE Inc.

TBS International, Inc.

BS-TBS, INC.

Totsu Inc.

TLC Co., Ltd.

Tomo-Digi Corporation

- Consolidated companies in the multi visual ventures and cultural events businesses (10)

NICHION, INC.

TBS Service, Inc.

OXYBOT, Inc.

TC Entertainment Incorporated

Grand Marche, Inc.

TBS TriMedia, Inc.

StylingLife Holdings Inc. Two other companies

C-TBS, Incorporated

- Consolidated companies in the real estate business (4)

Midoriyama Studio City, Inc.

TBS Kikaku Co., Ltd.

Akasaka Heat Supply, Co., Ltd.

TBS Sunwork, Inc.

- Equity method affiliate (1)

WOWOW INC.

# ● Consolidated Statement of Income (1)



(Unit: million yen)

Consolidated	Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)	Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)	y/y change	y/y change (%)
Net sales	261,204	264,427	3,223	1.2%
Operating income	14,137	16,887	2,750	19.5%
Ordinary income	18,806	22,871	4,065	21.6%
Profit attributable to owners of parent	11,482	14,547	3,064	26.7%

TBS HD	Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)	Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)	y/y change	y/y change (%)
Net sales	12,730	13,255	524	4.1%
Operating income	2,326	2,816	489	21.1%
Ordinary income	13,294	12,800	-493	-3.7%
Net income	12,149	11,287	-861	-7.1%

# ● Consolidated Statement of Income (2)



(Unit: million yen)

TBS TV	Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)	Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)	y/y change	y/y change (%)
Net sales	157,774	160,929	3,155	2.0%
Operating income	5,971	7,923	1,951	32.7%
Ordinary income	8,207	10,436	2,228	27.2%
Net income	5,503	7,240	1,737	31.6%

## Notes on results of TBS TV

- Operating expense in the Television division: +0.21
  - Cost of program production: +0.73
  - Agency commissions: +0.32 (21.95 for Q3)
  - Network expense: -0.53
- Operating expense in the Operations division: +0.12
- Extraordinary income: N/A

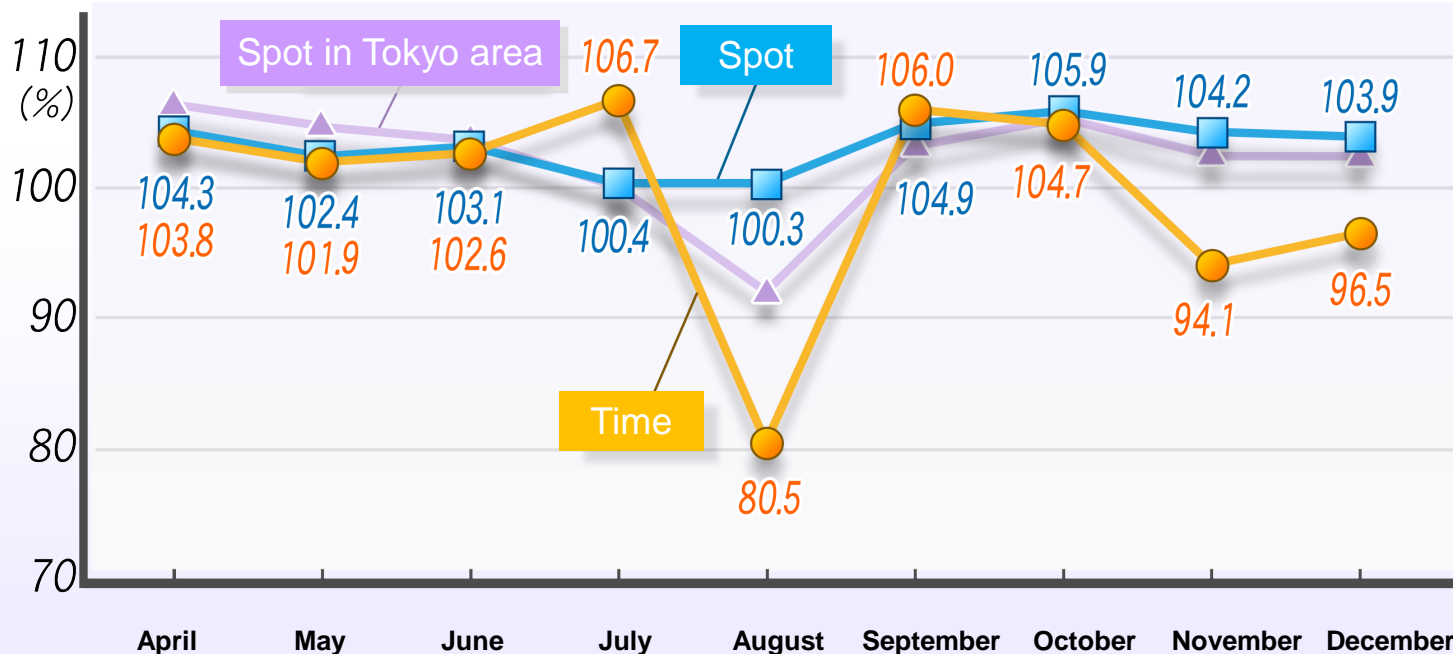
# ● Breakdown of TBS TV Income



(Unit: million yen)

	Q3 (Apr. to Dec. 2016)	y/y change
Television	137,487	1,667
(Time advertising)	63,423	-799
(Spot advertising)	64,335	2,081
(Content)	6,733	15
(Others)	2,995	369
Operations	21,206	1,485
Real estate	2,236	2
Total income	160,929	3,155

# ● Year-on-Year Changes in Time / Spot Earnings



	April	May	June	July	August	September	October	November	December	Average
Spot in Tokyo area	106.3	104.7	103.6	100.1	92.0	103.2	105.3	102.4	102.4	102.5

	1Q (Apr. to Jun. 2016)	2Q (Jul. to Sep. 2016)	3Q (Oct. to Dec. 2016)	Q3 (Apr. to Dec. 2016)	Q3 (Apr. to Dec. 2015)
Time	102.8	95.5	98.3	98.8	99.1
Spot	103.3	101.9	104.6	103.3	98.7
TBS share among five key broadcasters	18.7	18.9	18.8	18.8	18.6

(Estimates)

# ● Spot Advertising Sales Ranks by Business Category



(Unit: %)

	Q3 (Apr. to Dec. 2016)	Growth rate	Share	Q3 (Apr. to Dec. 2015)	Growth rate	Share
1	Information, telecommunications, and broadcasting	8.7	13.3	Information, telecommunications, and broadcasting	6.8	12.7
2	Foods	2.7	11.2	Foods	2.6	11.2
3	Alcoholic and other beverages	6.8	11.1	Alcoholic and other beverages	-5.7	10.7
4	Pharmaceuticals	7.2	10.0	Pharmaceuticals	2.0	9.6
5	Cosmetics and toiletry	12.9	9.3	Cosmetics and toiletry	1.3	8.5
6	Financial services	-2.7	6.0	Financial services	-2.3	6.4
7	Automobiles and transportation equipment	6.3	5.9	Precision instruments and office machines	4.4	6.1
8	Precision instruments and office machines	-15.5	5.0	Automobiles and transportation equipment	-29.0	5.7
9	Eating-out and services	15.0	4.6	Transportation and leisure	3.3	4.7
10	Transportation and leisure	0.4	4.5	Distribution	-5.5	4.5

\* Ranked in order of sales proceeds

# ● TV Program Costs (Production Expenses)



(Unit: million yen)

	Year ended March 31, 2016 Results	Year ending March 31, 2017 Results	y/y change
1Q	23,528	23,722	193
2Q	24,725	24,932	206
H1	48,254	48,653	399
3Q	23,473	23,805	332
(Direct expenses)	(18,465)	(18,516)	51
(Indirect expenses)	(5,008)	(5,289)	281
Q3 cumulative	71,726	72,458	731
4Q	24,398		
H2	47,871		
Fiscal year cumulative	96,125	(forecast) 98,300	

## ○ Major expenses included in TV program cost:

**Direct expenses:** Program production expenses, fees for broadcasting rights, fine arts production expenses, technical production expenses

**Indirect expenses:** Absorbed cost including depreciation and personnel cost for employees



# ● 3Q Viewer Ratings



\* Unit: %; Figures in [ ] indicate year-on-year changes

	All day	Golden time	Prime time
<b>TBS</b>	(4) 6.0 [ $\pm 0.0$ ]	(4) 9.5 [-1.0]	(3) 9.6 [-0.8]
<b>NTV</b>	(1) 8.6	(1) 13.0	(1) 12.6
<b>TV Asahi</b>	(2) 7.6	(2) 11.0	(2) 11.0
<b>TV Tokyo</b>	(6) 2.8	(6) 6.4	(6) 6.0
<b>Fuji TV</b>	(5) 5.7	(5) 8.3	(5) 8.2
<b>NHK</b>	(3) 6.3	(3) 10.5	(4) 9.1

<b>HUT</b>	<b>40.6</b>	<b>60.8</b>	<b>58.6</b>
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Ratings for October 3, 2016 to January 1, 2017, on a weekly basis

(According to research by Video Research Ltd. in the Kanto region)

# ● TBS TV Business Segment Income



(Unit: million yen)

	Segment		Q3 (Apr. to Dec. 2016)	y/y change	Remarks
Operations bureau	Cultural business (events)		2,751	986	The number of events increased and the <i>Van Gogh and Gauguin</i> , <i>Reality and Imagination</i> achieved good results. <i>Musée du Petit Prince de Saint-Exupéry à Hakone</i> also showed a revenue increase, recovering from the impact of the eruption of Mount Hakone.
	Show business		3,191	407	Individual events showed good results. For the third quarter, revenue increased, mainly reflecting the good results of <i>Yakai by Miyuki Nakajima</i> , <i>HAIKYU!!</i> ™, <i>Karasuno Revival!</i> and <i>The Scarlet Pimpernel</i> .
	Movies and animations business	Movies	1,179	-178	The DVDs of <i>64 Six Four Part 1 and Part 2</i> were big hits. However, revenue decreased due to a decline in the number of released movies.
		Animations	757	53	Revenue climbed, reflecting strong sales of programs overseas, primarily in Asia.
Content business bureau	Multi-visual content business		2,927	-37	Revenues from DVDs declined overall, reflecting unfavorable market conditions despite the good results of <i>99.9</i> . Revenue from on-demand content was steady due to a smash hit of “ <i>Székény a futás, de hasznos.</i> ”
	Overseas business		1,936	290	Revenue rose significantly due to continued strong sales in Asian markets, the expansion of <i>SASUKE</i> overseas, and strong sales of animation programs in China.
	Pay-TV business		6,891	287	Market share expanded thanks to efforts to improve programming and promotions. Revenue increased due to the success of the <i>YOKOHMA BAYSTARS</i> for which the broadcasting rights are available.
	Licensing business		717	15	Revenue rose, reflecting continued good results of <i>Gudetama</i> , as well as the sales of newly released <i>Kirby's Dream Land</i> .
	Digital/new business		852	-339	Revenue decreased substantially because the mobile phone billing business was nearly closed, in addition to the termination of the gaming business.
	Total		21,206	1,485	

# ● Capital Expenditures and Depreciation



(Unit: million yen)

Consolidated	Q3 (Apr. to Dec. 2016)	y/y change
Capital expenditures	5,774	-141
Depreciation	9,585	15

TBS HD	Q3 (Apr. to Dec. 2016)	y/y change
Capital expenditures	79	-614
Depreciation	2,092	-272

TBS TV	Q3 (Apr. to Dec. 2016)	y/y change
Capital expenditures	4,319	624
Depreciation	5,539	302

# ● Consolidated Results by Segment



(Unit: million yen)

	External sales				Operating income			
	Year ended March 31, 2016 Q3 (Apr. to Dec.)	Year ending March 31, 2017 Q3 (Apr. to Dec.)	y/y change	y/y change (%)	Year ended March 31, 2016 Q3 (Apr. to Dec.)	Year ending March 31, 2017 Q3 (Apr. to Dec.)	y/y change	y/y change (%)
Broadcasting	159,935	162,830	2,894	1.8%	4,787	6,120	1,333	27.8%
Multi Visual Ventures & Cultural Events	89,569	90,230	661	0.7%	3,522	4,699	1,176	33.4%
Real Estate	11,698	11,366	-332	-2.8%	5,827	6,069	242	4.2%
Consolidated	261,204	264,427	3,223	1.2%	14,137	16,887	2,750	19.5%

(Unit: 100 million yen)

Factors behind changes	External sales	Operating income
Broadcasting	TOKYO BROADCASTING SYSTEM TELEVISION (+13.0) BS-TBS (+7.3) TBS HD (+5.4) Totsu Inc. (+1.9) TBS Radio & Communications, Inc. (+1.4)	TOKYO BROADCASTING SYSTEM TELEVISION (+14.4) BS-TBS (+2.1) Totsu Inc. (+1.7)
Multi Visual Ventures & Cultural Events	TOKYO BROADCASTING SYSTEM TELEVISION (-17.1) C-TBS (+35.4) OXYBOT (+6.1) TBS Service (-6.1) Grand Marche (-9.7)	TOKYO BROADCASTING SYSTEM TELEVISION (+13.6) SLG (+3.3) Grand Marche (+1.3) TC Entertainment (+1.3) NICHION. (-2.4)
Real Estate	TBS HD (-2.3)	TBS HD (+1.8) Akasaka Heat Supply, Co., Ltd. (+1.1)

# ● Consolidated Balance Sheets



(Unit: million yen)

	As of Mar. 2016	As of Dec. 2016	Change		As of Mar. 2016	As of Dec. 2016	Change
Current assets	149,478	131,936	-17,542	Current liabilities	95,278	65,827	-29,451
				Long-term liabilities	96,483	106,239	9,756
				Total liabilities	191,762	172,067	-19,695
Fixed assets	500,492	543,625	43,133	Total net assets	458,208	503,494	45,285
				Shareholders' equity	444,087	488,547	44,460
				Non-controlling interests	14,121	14,946	825
Current assets	649,970	675,561	25,590	Total liabilities and net assets	649,970	675,561	25,590

**Interest-bearing liabilities at the end of the quarter:  
23,000 million yen (-30,600 million yen from the end of the previous quarter)**

\* Excluding lease obligations



(Unit: million yen)

<b>TBS R&amp;C</b>	<b>Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)</b>	<b>Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	7,928	8,112	183	2.3%
Operating income	282	213	-68	-24.2%
Ordinary income	288	220	-68	-23.7%
Net income	173	135	-38	-22.2%

<b>BS-TBS</b>	<b>Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)</b>	<b>Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)</b>	<b>y/y change</b>	<b>y/y change (%)</b>
Net sales	11,896	12,710	813	6.8%
Operating income	1,606	1,819	213	13.3%
Ordinary income	1,630	1,847	217	13.3%
Net income	1,060	1,250	190	17.9%



(Unit: million yen)

StylingLife Group (Consolidated)	Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)	Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)	y/y change	y/y change (%)
Net sales	49,374	49,196	-178	-0.4%
Operating income	1,764	2,095	332	18.8%
Ordinary income	2,200	2,000	-199	-9.1%
Net income	1,375	885	-490	-35.6%

Grand Marche	Year ended March 31, 2016 Q3 (Apr. to Dec. 2015)	Year ending March 31, 2017 Q3 (Apr. to Dec. 2016)	y/y change	y/y change (%)
Net sales	10,493	9,511	-982	-9.4%
Operating income	166	305	139	83.9%
Ordinary income	175	316	141	80.6%
Net income	110	201	91	82.3%

# ● Revision to Results Forecasts for Year Ending March 31, 2017 (TBS TV)

(Unit: million yen)

TBS TV	Previous forecast	Revised forecast	Change	Previous year
Net sales	214,000	215,000	1,000	210,353
Operating income	6,200	7,500	1,300	6,650
Ordinary income	9,000	10,300	1,300	9,519
Net income	6,200	7,200	1,000	6,349

## Forecast TV earnings

	H1 (results)	H2	Full year
Time	-1.0%	+0.8% → +1.8%	-0.1% → +0.4%
Spot	+2.6%	+3.3% → +2.6%	+3.0% → +2.6%



(Unit: million yen)

Consolidated	Previous forecast	Revised forecast	Change	Previous year
Net sales	352,000	352,700	700	348,539
Operating income	17,000	18,000	1,000	17,179
Ordinary income	22,500	24,000	1,500	22,678
Profit attributable to owners of parent	13,800	14,800	1,000	14,497



**Forward-looking statements on future results and all other content in this document are based on the Company's judgment at the time of publication. This document does not assure or guarantee that the stated numerical plans and measures will be achieved. Risks and uncertainties are inherent in this document.**

**Please note that future results may differ materially from statements herein, depending on changes in factors, including economic circumstances, market trends and business conditions.**

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